



General Assembly

February Session, 2004

Raised Bill No. 5550

LCO No. 1843

* _____HB05550INS__030504_____*

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

***AN ACT CONCERNING COMMERCIAL BROKERAGE AGREEMENTS
WITH OUT-OF-STATE BROKERS AND SALESPERSONS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2004*) (a) As used in this
2 section: (1) "Licensed broker" means a person licensed under chapter
3 392 of the general statutes as a real estate broker, (2) "licensed
4 salesperson" means a person licensed under chapter 392 of the general
5 statutes as a real estate salesperson, (3) "out-of-state broker" means a
6 person licensed in another state as a real estate broker who is not
7 licensed as a real estate broker under chapter 392 of the general
8 statutes, (4) "out-of-state salesperson" means a person licensed in
9 another state as a real estate salesperson who is not licensed as a real
10 estate salesperson under chapter 392 of the general statutes, (5)
11 "person" means a person, as defined in section 20-311 of the general
12 statutes, and (6) "advertising" means advertising, as defined in section
13 20-329a of the general statutes.

14 (b) An out-of-state broker may perform acts with respect to a
15 commercial real estate transaction that require a license under chapter
16 392 of the general statutes, provided the out-of-state broker complies

17 with the laws of this state with respect to the transaction and:

18 (1) Works in cooperation with a licensed broker, whether in a
19 cobrokerage, referral or other cooperative agreement or arrangement;

20 (2) Enters into a written agreement with a licensed broker that
21 includes the terms of cooperation and any compensation to be paid by
22 the licensed broker and a statement that the out-of-state broker and the
23 out-of-state broker's agents will comply with the laws of this state;

24 (3) Provides the licensed broker a copy of the out-of-state broker's
25 license or other proof of licensure from the jurisdictions where the out-
26 of-state broker maintains a license as a real estate broker; and

27 (4) Deposits all escrow funds, security deposits, and other money
28 received pursuant to the commercial real estate transaction to be held
29 as provided in section 20-324k of the general statutes unless the
30 agreement required in subdivision (2) of this subsection specifies
31 otherwise.

32 (c) An out-of-state salesperson may perform acts with respect to a
33 commercial real estate transaction that require a license as a real estate
34 salesperson under chapter 392 of the general statutes, provided the
35 out-of-state salesperson complies with the laws of this state with
36 respect to the transaction and:

37 (1) Works under the direct supervision of an out-of-state broker
38 who meets the requirements set forth in subdivision (1) of subsection
39 (b) of this section; and

40 (2) Provides the licensed broker who is working in cooperation with
41 the out-of-state broker a copy of the out-of-state salesperson's license
42 or other proof of licensure from the jurisdictions where the out-of-state
43 salesperson maintains a license as a real estate salesperson.

44 (d) Any out-of-state broker or out-of-state salesperson licensed in a
45 state that has no distinction between a real estate broker license and a

46 real estate salesperson license shall be subject to the requirements of
47 subsection (b) of this section with regard to any commercial real estate
48 transaction in this state.

49 (e) Each out-of-state broker or out-of-state salesperson that
50 advertises for sale commercial real estate pursuant to this section shall
51 include in any advertising material the name of the licensed broker
52 with whom the out-of-state broker has a written agreement pursuant
53 to subdivision (2) of subsection (b) of this section. Nothing in this
54 section shall permit an out-of-state broker or out-of-state salesperson
55 to accompany a prospective buyer at the site of commercial real estate
56 pursuant to a real estate transaction in this state.

This act shall take effect as follows:	
Section 1	<i>October 1, 2004</i>

INS ***Joint Favorable***